

Beyond Teams: Building a Fast Track to Speed, Flexibility, and Results

EXECUTIVE SUMMARY

Recent Forum research among companies that have highly effective teams found:

- The failure of many teams may be more justly attributed to their organizational environment than to shortcomings in the teams themselves.
- Teams thrive in companies that are customer driven, results focused, organized around key processes, and capable of constant informal communication.

While most team leaders are trained to run team meetings and build a strong core team, the single greatest predictor of a team leader's success is his or her ability to get and maintain buy-in from stakeholders outside the team.

For teams to be consistently successful, individuals at all hierarchical levels must be prepared to set strategy, take ownership of the team process, lead (a) team(s), and contribute as active members of (a) team(s).

The key to making teams more productive is to think beyond teams by better preparing team leaders to perform outside the structure of their own teams and by designing team-based organizations capable of sustaining high levels of business performance without the pain and stress of constant restructuring.

BEYOND TEAMS

One birthday morning, a child opens a big, beautiful package and pulls out a pair of shiny new racing slot cars. But where is the electric track on which the slot cars would run? "Next year," teases his father.

That is how you may feel about teams. Teased. You know they hold the potential for remarkable performance. Yet, in your organization, teams cannot get mobilized, so they just spin their wheels.

You are far from being alone. Businesses everywhere tell us their teams are struggling to be productive. Given that these teams are generally composed of capable people who have been duly trained in team skills, we have often wondered why this is so.

Recent Forum research sheds some light on the issue. Our findings suggest that, much of the time, the problem is not with the teams themselves. Rather, it is that the teams lack a suitable track on which to run, and, in the absence of a suitable track, team effectiveness will plateau. We have also found that organizations often hold unrealistic expectations of what teams can do and that many companies fall into the trap of treating teams as an end unto themselves, when they are actually but one means to increasing the speed, flexibility, and performance of your business.

Conditions for Team Success

Our research probed organizations in which teams are productive, and we found that such companies have far more in common than just teams. Companies in which teams thrive are also customer-driven and results-focused. They are organized around key processes as well as functions or departments, and they have an infrastructure that supports constant, informal interaction at all levels, vertically and laterally.

The fact that teams tend to thrive in companies exhibiting these characteristics is not striking in and of itself. But it does pose an intriguing "chicken or the egg" question; that is, should the role of teams be to change or improve organizations, or should organizations enable teams to work effectively? Many companies launch teams expressly to improve conditions, hoping that the teams themselves will somehow "change the culture" and redress every operating deficiency.

Teams can do remarkable things. But they can't transform the organizational environment into which they are introduced—at least, not on their own.

Typically, when companies launch teams into indifferent or hostile organizational environments, the majority of teams fall short of their own goals and of management's expectations, while a few beat the odds. That is, a handful of teams fulfill their objectives, despite the environmental obstacles they confront. Think of them as "heroic" teams. In the face of such sporadic success, some companies lose faith in the efficacy of teams. Others broaden and intensify their search for ways to turn all their teams into heroic teams. The failure of teams in organizations that have never been team-based or team-friendly should not discredit teams as a business tool. Further, our research suggests that the biggest breakthroughs in team effectiveness may come not from developing more heroic teams but from creating environments in which teams need not be heroic to reach their goals.

Role Flexibility

Role flexibility is characteristic of successful team-based organizations. All the companies we studied use traditional hierarchical job titles. But, where teams had proven consistently effective, we found individual accountability and responsibility being detached from job titles and associated, instead, with the task at hand. A senior executive, for example, could be part of a business development team "reporting" to a salesperson.

Specifically, we identified four primary roles played by individuals in successful team-based environments. They need to know how to set strategy, take ownership of the team process, lead a team, and be an active contributor to a team. While these roles parallel the traditional hierarchy, with the strategist at the top of the pyramid and the contributor at the bottom, the roles often proved more reliable than job titles in defining what people actually do in a given situation. Most individuals are called upon to play multiple roles (often simultaneously) without formally changing jobs.

Exploding Myths

Some of the most intriguing findings in our research centered around the team leader's role. Companies with thriving teams are, in fact, exploding several myths about team leadership.

Myth: Team leaders should devote most of their time and energy to building their team and managing its internal dynamics.

Fact: Highly regarded team leaders work hard to establish links with external stakeholders—other teams, customers, and senior managers. Our research demonstrates that the single greatest predictor of a team leader's success is his or her ability to get and maintain buy-in, not only from team members, but also from key stakeholders whose support is essential to the fulfillment of team objectives.

Myth: The presence of teamwork can be measured by the effectiveness of team meetings.

Fact: The outstanding team leaders we surveyed consistently maintained that meetings are no substitute for constant, spontaneous interaction. They rely primarily on ongoing, informal opportunities to pass on information, coach, share insights, and maintain buy-in. The efficacy of these daily and informal interactions, rather than of periodic team meetings, is how they measure the level of teamwork.

Myth: Team leadership should rotate among team members. Teams are empowered when leadership does not fall to a single person.

Fact: Although this type of teaming can be effective in organizations where teams work somewhat independently (such as in some manufacturing firms), the most successful teams in the environments we studied have steady leaders who advocate for the team across the organization, link the team

to existing systems and processes, and keep the team aligned with key stakeholders.

Myth: Team leaders need to be very clear about what type of team they are leading.

Fact: Highly regarded team leaders in team-based organizations tend to describe their teams in multidimensional terms. When asked to categorize their team in our survey, "outstanding" team leaders would often check three or four boxes; for example, "process-improvement team," "cross-functional team," and "production team." This suggests that the best team leaders are attuned to the many functions of a team and are able to transfer skills such as process improvement from quality teams to work teams.

Our findings on team leadership suggest that predominant approaches for developing team leaders may be inadequate. In many organizations, team leaders are trained primarily in how to run team meetings and how to build a strong core team. Yet our research shows that team leaders in true team-based organizations do their most important work outside of team meetings. Further, while outstanding team leaders work hard to develop their own team, they focus even more effort on linking their teams to outside stakeholders.

Beyond Teams

Paradoxically, the single most important step toward making your teams more productive may be to advocate team approaches less avidly.

The great appeal of rigidly defined team systems is that they present a tangible alternative to the traditional hierarchies and rigidly defined functions already present in most companies. And therein lies the trap: replacing one rigid organizational concept with another. After all, you do not want teams; you want speed, flexibility, and results. Teams are but one means to those ends.

We found that companies in which teams thrive are not preoccupied with their "team concept," nor do they see teamwork as a religion to be worshipped. They make free-flowing connections of individuals and teams habitual, not sacred. And they deem virtually all forms of collaboration acceptable, so long as they advance the organization toward its objectives.

This brings us to the questions: What are those objectives? and Do your people share a motivation to pursue them? Many companies try to promote cross-boundary interaction by assigning individuals from varied functions, locations, and hierarchical levels to serve together on teams. The problem is, those team members still feel a much stronger alliance to their "real" job than they do to the team or its mission. The tendency for such groups to deteriorate into "us" and "them" is only too real.

In contrast, the successful team-based companies in our study tend to share an urgency around customer requirements that

supersedes all other affiliations. They demonstrate that the defining concept for everyday action cannot be teams or functions. It must be customers. When the defining concept is customers, your people will cross organizational barriers on their own to form new alliances and to work collaboratively toward customer-focused objectives.

Perhaps the greatest practical inhibitor of such organic collaboration is internal communication (or, more accurately, lack thereof). A fast, flexible, team-based organization simply cannot spring from an environment in which the formal chain of command is the major communication tool. A hallmark of the successful team-based organizations we studied is the "over-communication" that routinely rises above hierarchical, functional, and geographic boundaries. And the incredible diversity of internal communication channels we observed in the course of our research suggests that the obstacles to over-communication still confronting most companies are cultural, not technological.

In sum, we believe the key to making teams more productive is to have team leaders who are more fully prepared to work outside the dynamic of their own teams. They must know the importance of communication across organizational and team boundaries. And they must possess the skills necessary to gain and maintain buy-in and to align their teams' efforts with the efforts of other teams and with the needs and priorities of customers, colleagues, and senior managers.

"About Research"

Forum's 2-year study of the effectiveness of team-based environments utilized case studies, in-depth interviews, and surveys with senior managers, team members, and team leaders in multiple industries.

Case Studies

Six client companies participated. All met three criteria for being team-based: 1) senior management has made public statements regarding the importance of teams to the company's strategy, 2) teams are widespread in the company, and 3) teams work in collaboration with other teams to make their goals. Representative team leaders, team members, and senior managers administered 90-minute semistructured interviews. Participants also provided documentation of their organization's structure. Industries included banking, pharmaceuticals, chemicals, high technology, manufacturing, and insurance.

Interviews

Twenty-seven pairs of participants (54 people), nominated by their peers as exemplary models of getting results through skilled collaboration, were drawn from 20 U.S., British, Australian, and New Zealand companies. Pairs consisted of two team leaders from separate teams, or a team leader and senior manager who had the power to charter and/or disband teams. Companies from which pairs were drawn evidenced senior management support for teams, large numbers of teams distrib-

uted throughout the organization, and multiple types of teams.

Surveys

Forty team leaders from five companies were rated on their performance by 330 team members, associates, and managers. Participating companies in the U.S. surveys were ranked in the top three of their industry by FORTUNE magazine's 1995 Most Admired Companies list. Team leaders from these companies were selected by sponsors who rated them either "outstanding" or "average." Members of the teams led by the selected team leaders completed a 69-item survey, rating team climate, team results, and team leader practices in seven competency areas. Associates and managers completed a 47-item survey, describing their organizations' climate and rating the nominated team leaders on practices in seven competency areas.

TEAM LEADER MUST KNOW HOW TO:

- Earn and keep buy-in not only from team members but also from stakeholders
- Use learning, rather than control, to accelerate personal, team, and organizational effectiveness
- Keep their team tuned in to external change—performing with focus and agility
- Take active responsibility for developing themselves and the talents of others
- Continuously link the work of their team to the organization and its customers
- Construct the foundation—a core team with clear goals, roles, and processes

THINGS TEAMS CAN DO

Speed. The mortgage lending division of a regional bank used teams to design and implement a complete reengineering of its core work processes. Teams analyzed the existing processes in detail and sought breakthroughs in efficiency. Average approval time on mortgage applications was reduced from almost an entire month to just 1 day.

Entrepreneurship. A start-up venture, jointly funded by one U.S. and one European pharmaceuticals company, used teams as its basic organizing structure to leverage the unique capabilities of both parent companies. The joint venture achieved its multibillion dollar sales target in its first full year of operation.

Expansion. A high-tech manufacturing firm used teams to transfer technical information into new plants as they opened. Teams from across the locations worked in close consultation, outside the hierarchical structure, to plan and manage the transfers and rapidly embed the information into the company's expanding operations.

Integration. A major insurance company saw acquisition and assimilation of companies in other geographies as key to its growth strategy. "Virtual" teams drew members from each acquired company to help study, align, and integrate varied customer-service philosophies and strategies into the constantly improving mainstream, thereby speeding the acquired companies' assimilation into ongoing operations.

TEAM-BASED ROLE DEFINITIONS

Strategy Setters. People who set strategy create the organizational climate that links the customer, the business results, and the organizational structure. They define the required processes and resources necessary to accomplish the organizational mission and are responsible for achieving alignment among the core processes.

Process Owners. People who take ownership of the team process are responsible for turning the strategy into action. They define, shape, and improve the processes required to realize strategic aims. They also facilitate alignment among team leaders, clarify the connections between teams, and link processes to business results.

Team Leaders. People who lead teams ensure that initiatives are successfully completed. They manage all the stakeholders' interests, create shared purpose within the team and among stakeholders, manage team dynamics, clarify roles, provide resources, and measure and communicate results. Significantly, team leaders in the organizations we studied spent considerable time building linkages between their teams and other teams in the organization.

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